

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN DAVE KASTEN**, on February 12, 2003 at 8:30 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Dave Kasten, Chairman (R)
Sen. Tom Zook, Vice Chairman (R)
Rep. Christine Kaufmann (D)
Sen. Joseph (Joe) Tropila (D)
Rep. John Witt (R)

Members Excused: Sen. Bob Keenan (R)
Sen. Jon Tester (D)

Members Absent: None.

Staff Present: Catherine Duncan, Legislative Branch
Jane Hamman, OBPP
CJ Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 5

Executive Action: None

HEARING ON HB 5 - GOVERNMENT BUDGET STATE OF MONTANA
LONG-RANGE BUILDING PROGRAM (LRBP), VOL. 3

{Tape: 1; Side: A; Approx. Time Counter: 0 - 30}
{Tape: 1; Side: B; Approx. Time Counter: 0 - 6.3}

Sponsor: REP. DAVE KASTEN, HD 99

Opening Statement by Sponsor:

REP. KASTEN opened and informed the Committee that with the budget situation, no new construction will be addressed. He turned the time to Tom O'Connell.

Architecture and Engineering

Tom O'Connell, **Architecture and Engineering (A&E)**, distributed a handout that followed a Power Point presentation. He addressed the individual projects and programs and gave an update on the projects in progress. The presentation also included an explanation of the LRBP book and process, as well as a revenue estimate for the LRBP account.

EXHIBIT(jlh31a01)

During the presentation, **Tom O'Connell** answered various questions from the Committee members regarding the projects.

{Tape: 1; Side: B; Approx. Time Counter: 6.3 - 23.2}

CHAIRMAN KASTEN informed the Committee that he has requested an amendment for HB 177.

Joe Triem, Manager, A&E, went through the Governor's Budget Book, Long Range Building Program, Volume 3. He started with the Table of Contents and continued through the book. The book is divided into three parts: 1) long range building program proposal; 2) building program requests; and 3) campus site plans.

EXHIBIT(jlh31a02)

{Tape: 1; Side: B; Approx. Time Counter: 23.2 - 30}

SEN. ZOOK told the Committee that there is outstanding spending authority available. **Joe Triem** responded that if the Committee would like that part included in the Book, they could have that

included next session. **CHAIRMAN KASTEN** agreed that it would be important for the Committee to have.

Joe Triem added that the funded projects are included in the Book (Exhibit 2) on Pages 1-119; after Page 119 are project requests only, but are not funded. Mr. Triem continued through the end of the Book, explaining each remaining section.

{Tape: 2; Side: A; Approx. Time Counter: 0 - 7.4}

REP. WITT asked about the number of deferred maintenance projects. **Tom O'Connell** referred him to Page 6 (Exhibit 1).

CHAIRMAN KASTEN asked Mr. O'Connell to elaborate on operation and deferred maintenance costs. **Tom O'Connell** explained that last session, there was \$5.5 million in the cash program, over double this session's funding. Of those funds, 88% went to repair and maintenance and 12% went to the University of Montana, but it was cut in the special session. He said that they can get by for now, but revenue sources need to increase or facilities will fall apart.

REP. WITT asked if A&E is doing any projections for future lost contracts. **Tom O'Connell** said he would work with the Budget Office on that matter.

Catherine Duncan asked if the funding will need to be increased next biennium, since the projects are being deferred this biennium. **Tom O'Connell** agreed that projects needing funding will most likely go back up. **CHAIRMAN KASTEN** agreed that the need is there and many projects could use funding if it were available. **Tom O'Connell** added that these projects are the "worst of the worst" and are in the most need.

{Tape: 2; Side: A; Approx. Time Counter: 7.4 - 14.3}

Joe Triem continued going over the Budget Book on Page 21 (Exhibit 2), statewide project priority #1. He also referred to the projects specifically listed in HB 5.

{Tape: 2; Side: A; Approx. Time Counter: 14.3 - 20.9}

CHAIRMAN KASTEN asked about the materials A&E is using for recoating roofs. **Joe Triem** explained the process they use for recoating. He then continued through the Budget Book on Page 27 (Exhibit 2), statewide project priority #3.

{Tape: 2; Side: A; Approx. Time Counter: 20.9 - 30}

CHAIRMAN KASTEN asked if there have been any lawsuits over safety issues regarding the buildings in need of repair. **Tom O'Connell** responded that he wasn't aware of any.

Joe Triem continued through the Budget Book, Page 30 (Exhibit 2).

REP. WITT asked if A&E still has authority over that money they give to agencies. **Tom O'Connell** said that once spending authority is assigned to an agency, it stays with that agency.

CHAIRMAN KASTEN asked about maintenance on a building being paid for by the University. **Tom O'Connell** explained that aspect of maintenance authority, which is a relatively new occurrence.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 15}

CHAIRMAN KASTEN added that the Legislature may need to establish a policy to limit the use of the taxpayers' money. **Tom O'Connell** said that there were no new proposals in the building program, so that policy would be premature.

Joe Triem continued his presentation and explained that HB 5 contains the breakdown of authority for each project.

Tom O'Connell continued in the Budget Book, Page 33 (Exhibit 2).

CHAIRMAN KASTEN thanked Mr. Triem and Mr. O'Connell for the good presentation and material presented to the Committee.

{Tape: 2; Side: B; Approx. Time Counter: 15 - 23.7}

Department of Administration

Joe Triem continued in the Budget Book, Page 36 (Exhibit 2).

Paul Lamphier, Chief Laboratory Services Bureau, DPHHS, explained Phase II of the upgrade of the Public Health Laboratory (PHL). He stated that PHL is not in competition with the hospital laboratories, but serves as a microbiological reference for them. He went through his written notes.

EXHIBIT(j1h31a03)

{Tape: 2; Side: B; Approx. Time Counter: 23.7 - 30}

CHAIRMAN KASTEN asked where Montana rates in relation to other states in the northwest regarding BSL. **Paul Lamphier** said that

Montana is the only state that wasn't up to par with BSL. With the funding, PHL will be level with the rest of the nation.

SEN. ZOOK pointed out that Page 3 of Mr. Lamphier's presentation needs to be changed to read "does not" instead of "does" meet current standards.

REP. KAUFMANN asked if there was a concern over the safety of the lab workers during the anthrax scare. **Paul Lamphier** said the workers are protected to some extent, but not to the level that they should be.

{Tape: 3; Side: A; Approx. Time Counter: 0 - 10}

REP. KAUFMANN asked if PHL is capable of handling other hazards such as E. Coli and tuberculosis. **Paul Lamphier** said that what PHL is doing will protect public safety.

Mart Richels, Administrator, General Services, Department of Administration, continued with project priority #7, Page 39, of the Budget Book (Exhibit 2), to repair the State Capitol's front stairs. He explained that they are in such bad shape that the project is not merely cosmetic, but structural. The deterioration is to the extent that they are a hazard of public safety and are now closed for use. Mr. Richels said that they would like to reconstruct the stairs and add lighting. The funding comes from Capitol Land Grant funds and CTEP funds.

Tim Burton, Helena City Manager, said that the City Commission is going to sponsor the CTEP project and will go throughout the state to obtain additional funding. The City has allocated \$15,000 for the project. He asked the Committee for their support of this project.

REP. WITT asked if the City's contribution was from their CTEP funds. Tim Burton replied that it was part of their portion.

{Tape: 3; Side: A; Approx. Time Counter: 10 - 16.7}

Ellen Bell, Executive Director, Montana Capitol Restoration Foundation, said that they also go throughout the state for contributions to help with renovation. She explained that Montanans revere the Capitol and are willing to donate their CTEP funds to the project. The City of Helena has already allocated \$15,000 for the project and the City of White Sulphur Springs will donate \$4,000. The counties of Golden Valley, Prairie, Lake and Glacier donated \$30,800. She asked the Committee to support funding for the project.

REP. WITT asked what happens when a city or county wants to refer CTEP funding to a project like this. **Tim Burton** said that in the example of Helena, the money was taken from other approved projects.

CHAIRMAN KASTEN asked if individuals can donate also. **Ellen Bell** stated that the foundation receives many private donations.

Jane Hamman explained that the Capital Land Grant revenue is available for the Capitol complex to use also.

{Tape: 3; Side: A; Approx. Time Counter: 16.7 - 22.7}

Joe Triem continued with Page 42 of the Budget Book (Exhibit 2), project priority #8. This request gives the authority to acquire land around the Capitol complex as it becomes available.

Jane Hamman added that as they put the budget together, this project is the "lowest on the ladder." If there are more fires from the drought this year, the sale of timber brings in extra funds. This project allows the State the spending authority from that revenue.

REP. KAUFMANN, Joe Triem and **Tom O'Connell** discussed the funding from DOT versus federal funding for acquisition of land and buildings.

Department of Corrections

{Tape: 3; Side: A; Approx. Time Counter: 22.7 - 30}

Steve Hartman, Dairy Director, Montana Correctional Enterprises (MCE), addressed project priority #9, Page 44 in the Budget Book (Exhibit 2). He distributed a brochure of the MCE dairy farm and explained that the project is to build a new milk parlor and install new milking equipment.

EXHIBIT(jlh31a04)

Mr. Hartman went over his written remarks in Exhibit 5.

EXHIBIT(jlh31a05)

{Tape: 3; Side: B; Approx. Time Counter: 0 - 8.2}

Steve Hartman distributed a letter from Mike Monforton, Manager of Darigold in Bozeman.

EXHIBIT(jlh31a06)

CHAIRMAN KASTEN asked if the prison has any building authority. **Tom O'Connell** responded that they do have some authority, but it's not in the building program; it is in dam construction from last session.

REP. WITT asked about FTEs. **Steve Hartman** said there are five FTEs currently, and will still have five with the new facility.

REP. WITT asked if the old facility will be removed. **Mr. Hartman** explained that the new building will be connected to the old building and the equipment will be moved over to the new part.

Ross Swanson, MCE Administer, said they do have some spending authority, but it will not carry over.

Department of Military Affairs

{Tape: 3; Side: B; Approx. Time Counter: 8.3 - 14.5}

Ralph DeCunzo, Contracting and Construction Department, Department of Military Affairs (DMA), presented their project on Page 62 (Exhibit 2) to attain the authority to spend federal money. He explained that much of it will be used at Fort Harrison.

Mr. DeCunzo presented DMA's second project, priority #16 on Page 64 (Exhibit 2). Much of this project is to re-roof the armories in Malta and Glendive. He added a clarification that the funding is not 100% federal funding, as listed, but it will be 50% State and 50% federal funding. He also discussed the Dillon armory.

{Tape: 3; Side: B; Approx. Time Counter: 14.5 - 20.9}

SEN. TROPILA, Ralph DeCunzo, and Tom O'Connell discussed the project and its funding, as well as the future maintenance plans.

CHAIRMAN KASTEN requested that all agencies give an update on square-foot maintenance and deferred maintenance to be used in future legislatures.

Jane Hamman asked about operation/maintenance costs. **Ralph DeCunzo** said that DMA's cost is at most \$2.50 per square foot.

CHAIRMAN KASTEN closed the hearing.

ADJOURNMENT

Adjournment: 11:45 A.M.

REP. DAVE KASTEN, Chairman

CJ JOHNSON, Secretary

DK/CJ

EXHIBIT (j1h31aad)